

F 14.
Img.
Auth.

23 October 1985

MEMORANDUM FOR: [redacted] Chief
Liaison Division/OLL

STAT

FROM: [redacted]
Assistant General Counsel

STAT

SUBJECT: Immigration Sub-Committee Hearing
on GAO Nazi Report

1. On 17 October 1985, [redacted] and I attended the House Immigration Sub-Committee Hearing regarding General Accounting Office report GAO/GGS-85-66. The hearing began at 1:00 p.m. in room 2226 at the Rayburn Building and continued until approximately 3:00 p.m. The witnesses were Arnold P. Jones, the Associate Director of the General Government Division of GAO; Neal Sher, Director of the Justice Department's Office of Special Investigations; and John Loftus, a private attorney who formerly was a prosecutor at OSI. The Congressmen in attendance were: Romano L. Mazzoli, the Chairman of the Sub-Committee on Immigration; and Congressmen Barney Frank, George W. Crockett, Charles E. Schumer, Howard L. Berman, John Bryant, Hamilton Fish, F. James Sensenbrenner, and Bill McCollum.

STAT

2. Mr. Arnold P. Jones was the first witness to testify. Mr. Jones began his statement by saying first that the GAO had determined that the intelligence agencies had no programs specifically designed to assist Nazis entering the United States. The GAO concluded that U.S. intelligence did help some Nazis enter the United States on an individual basis. He said that GAO reviewed 114 personnel files and of that number, 12 had "questionable backgrounds." Of those 12, he stated 5 had entered the U.S. with assistance from U.S. intelligence agencies and 7 had received no such assistance. Mr. Jones specifically stated that CIA had cooperated fully in the GAO investigation and that the GAO had not been denied access to any files. He also stated, however, that he may not have seen all relevant information because he suspects that much of the relevant information is located in files "other than personnel files."

3. During Mr. Jones' testimony, Congressman Frank vigorously castigated the GAO report as inadequate. Mr. Frank stated that he is convinced that there are far more cases where intelligence agencies assisted Nazis to enter the United States. He feels that GAO was incorrect in limiting its inquiry to whether or not specific programs had been set up to assist Nazis or Axis collaborators. Congressman Frank also stated and Congressman Schumer agreed that it is absolutely no reason to keep 40 year old material classified. Mr. Schumer demanded to know what steps are being made to declassify this material.

4. Neal Sher, D/OSI testified that the Justice Department generally takes no issue with the reports' conclusions. He also stated that CIA has never refused information about an OSI investigation and specifically stated that CIA has never attempted to influence an investigation. Further, Mr. Sher told the Sub-Committee that he has recently compared his list of OSI subjects with the Attorney General's list of persons who have entered the United States under Section 7 of the CIA Act (100 Persons Act). The result of this comparison, Mr. Sher stated, was that 2 names were found of OSI subjects who entered the United States pursuant to Section 7. He did not mention those names.

5. Mr. Loftus's testimony consisted of his usual inchoate, stream-of-consciousness explications of various conspiratorial theories. Regrettably, I was unable to follow the byzantine contours of Mr. Loftus' testimony.

6. On a whole, it is my assessment that the evidence elicited at the hearing was singularly favorable to CIA. No specific subjects of the GAO report were discussed. The only potential problem that I perceived was a general reluctance by several of the members to accept the fact that there is a rational basis for maintaining the classification of 40-year old material.

7. Thank you very much for your assistance in this matter. I would like to especially compliment your office on the outstanding assistance provided

STAT

STAT